

CHAPTER 10: MONITORING, RECORD-KEEPING AND REPORTING



Acceptance of HOME funds obligates participating jurisdictions (PJs) to ensure that HOME monies are used in accordance with all applicable requirements. This chapter will cover two key components of this process – monitoring and record-keeping. It will also discuss current annual performance reporting requirements for the HOME Program.

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MONITORING

- ◆ PJs are responsible for managing the day-to-day operations of their HOME Programs and ensuring that HOME funds are used in keeping with program requirements. Implementation of HOME Program activities by other entities (state recipients, subrecipients, CHDOs, etc.) does not relieve PJs of this responsibility.
- ◆ The regulations require that the performance of each contractor and subrecipient receiving HOME funds must be reviewed by PJs at least annually. Good practice suggests that:
 - Any entity receiving HOME funds for an eligible project must be monitored to ensure compliance with applicable program requirements.
 - More frequent reviews may be appropriate based on the length and complexity of the activity being undertaken, and the experience and capacity of the funding recipient.
- ◆ **Goals:** Three primary goals of monitoring are to:
 - Ensure production and accountability;
 - Ensure compliance with HOME and other Federal requirements; and
 - Evaluate organizational and project performance.

Monitoring Plan

- ◆ PJs should develop a monitoring plan at the beginning of each program year in order to match their available resources for monitoring with the needs and capacity of funded entities. A monitoring plan may include the following:
 - Objectives of the monitoring plan;

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- Standardized procedures for reporting by funding recipients;
- Standardized procedures for review and monitoring;
- How risk will be identified and addressed;
- Frequency of meetings, monitoring reviews and inspections;
- Pre-monitoring preparation;
- Use of staff and other resources for monitoring;
- Monitoring "checklists"; and
- Sample monitoring letters.

Staffing the Monitoring Responsibilities

- ◆ PJs may consider several options for conducting monitoring activities, including:
 - Institutionalize the task: If the PJ is convinced that there will be a long-term need for project support, it may choose to assign this task to an existing staff member, or to create a new position within its existing organizational structure.
 - Collaborate: PJs may consider collaborating with another agency with suitable experience and staff. The other agency may even be carrying out similar monitoring activities for its own projects. This solution is attractive if the agency does not have sufficient time or flexibility, or simply believes that such people and skills will not be needed on a long-term basis.

Example: Twenty of the units in CHIC's completed rental project are occupied by tenants on Section 8 assistance, which was received from HOMEville PHA. The two organizations agree that the PHA will conduct and provide a copy of the annual income certification for each assisted tenant.

- Contract out: Contracting out the monitoring activities to an outside entity can prove helpful in maintaining an unbiased, fresh perspective, and may alleviate pressures on existing staff. Conversely, this approach may undermine the establishment of a partnership with Community Housing Development Organizations (CHDOs).

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Program vs. Project Monitoring

- ◆ Is funding being provided for ***one specific project***, or ***a program*** involving a number of projects? Monitoring must address both program-wide and project-specific issues.

Projects Within Programs

Remember, each project within a program requires separate documentation.

- ◆ For all entities undertaking development, sponsorship or ownership of a project, PJs should require progress reports and regularly scheduled meetings.

Risk Assessment

- ◆ For programs and projects, PJs should perform a risk assessment to identify which funding recipients require comprehensive monitoring. High-risk funding recipients include those that are:
 - New to the HOME program;
 - Experiencing turnover in key staff positions;
 - Plagued by past compliance or performance problems;
 - Undertaking multiple HOME-funded activities for the first time; and
 - Not submitting timely reports.

- ◆ For experienced funding recipients that are successfully carrying out activities, PJs could plan a more narrowly focused monitoring to examine areas where the regulations have changed, new activities that are being undertaken, or program aspects that led to problems in the past.

Monitoring Is Good for Everyone

Comprehensive monitoring reviews should be conducted periodically, even for funding recipients with strong past performance. Even the most effective and efficient funding recipients can neglect their responsibilities if PJs do not hold them accountable.

Desk Reviews

- ◆ Desk reviews are a key component of basic PJ monitoring activities. They involve examining information and materials provided to PJs by funding recipients, as a means to track performance and identify potential problem areas.

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- Staff performing desk reviews should examine progress reports, compliance reports and financial information, to adequately assess performance and look for indicators of performance or compliance problems.
- If questions or concerns arise from the review, staff should gather additional information through telephone calls or additional documents or other written materials.

Program Monitoring

The following steps provide PJs with the basic framework to follow when conducting on-site program monitoring reviews.

- ◆ **Step 1: Prepare for the monitoring visit:** Before the monitoring visit, PJs should make sure staff is adequately trained for the task. Staff should be thoroughly familiar with the applicable program rules and the established monitoring protocol. In addition, staff should review the following types of in-house data prior to the visit:
 - Application for funding;
 - Written agreement;
 - Progress reports;
 - Draw-down requests;
 - Cash and Management Information (C/MI) System or Integrated Disbursement and Information System (IDIS) reports;
 - Correspondence;
 - Previous monitoring reviews; and
 - Copies of audits.
- ◆ **Step 2: Conduct the monitoring visit:** There are four basic elements to any monitoring visit.
 - Notification: PJs should begin the monitoring process by calling funding recipients to explain the purpose of the visit and to agree upon dates for the visit. A formal notification letter should follow at least several weeks before the planned visit and should include:
 - ✓ Confirmation of the dates for the review;
 - ✓ Scope of the monitoring;
 - ✓ Information needed for review during the visit; and

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- ✓ Staff needed for interviews or other assistance during the review.
- **Entrance conference:** Entrance conferences are held at the beginning of monitoring visits, usually with the executive director or other top official of the organization, to make sure the subrecipient has a clear understanding of the purpose, scope and schedule for the monitoring.
- **Documentation, data gathering and analysis:** PJs should keep a clear record of information reviewed and conversations held with subrecipient staff during the monitoring visit. The most efficient and effective way to review all of the necessary documentation and data is with a checklist. Checklists should be based on the HOME Program requirements for each type of project. The information gathered will serve as the basis for conclusions to be included in the monitoring report and follow-up letter. Subrecipients may request identification of sources if any of the conclusions are disputed.
- **Exit conference:** At the end of the monitoring visit, the reviewers should meet again with key representatives of the subrecipient organization to:
 - ✓ Present preliminary results of the monitoring;
 - ✓ Provide an opportunity for the subrecipient to correct any misconceptions or misunderstandings;
 - ✓ Secure additional information to clarify or support their position; and
 - ✓ If applicable, provide an opportunity for the subrecipient to report on steps the organization may already be taking to address areas of noncompliance or nonperformance.
- ◆ **Step 3: Follow-up:** At the end of the process, the PJ should provide the subrecipient with formal written notification of the results of the monitoring review. This letter should both point out problem areas **and** recognize successes.
 - The follow-up letter creates a permanent written record of what was found during the review.
 - The letter should outline concerns and findings (see above), and set deadlines for a written response and corrective actions.

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- Follow-up procedures are discussed below under “Corrective Actions.”

Project Monitoring

- ◆ **Overview:** For individual projects, monitoring begins at project pre-development and continues through the period of affordability.
- ◆ For example, once construction has started, PJs should:
 - Require progress reports (weekly, monthly, quarterly or with each draw request) that flag any pending or anticipated problems;
 - Hold regular meetings to discuss issues and provide any technical assistance needed; and
 - Make periodic site visits to evaluate progress.
- ◆ Other general areas for monitoring review include:
 - Project schedule:
 - ✓ Is the project on schedule and have all major milestones been met?
 - ✓ If the project has been completed, are required annual reviews and recertifications planned and scheduled for the coming year?
 - Project accomplishments:
 - ✓ Is the project meeting standards established in the written agreement?
 - ✓ Are costs on target?
 - ✓ Are the number of units proposed being produced?
 - ✓ If applicable, is the quality of the construction/rehabilitation acceptable?
 - ✓ If the project is finished, have the HOME-assisted units been rented/sold to income-eligible households?

Standardized Language

Standardized language set forth in the monitoring procedures often helps PJs to develop standardized monitoring letters in a reasonable time frame and with consistency from subrecipient to subrecipient.

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- ◆ **Rental housing monitoring:** During the period of affordability, PJs must perform on-site inspections of HOME-assisted rental housing to:
 - Determine compliance with applicable property standards requirements;
 - Verify information maintained by property owners concerning leases, tenant incomes, rents and utility allowances; and
 - Verify compliance with provisions of written agreements.
- ◆ On-site inspections of HOME-assisted rental housing developments are required no less than:
 - Every three years for projects of one to four units;
 - Every two years for projects with five to 25 units; and
 - Annually for projects with 26 or more units.
- ◆ The Final Rule allows for inspection of a sufficient sample of HOME-assisted units in a multi-family development, rather than inspecting all of the HOME-assisted units in the development.
 - A general rule is to inspect at least 15 to 20 percent of the HOME-assisted units in a project, and a minimum of one unit in every building.
 - If compliance problems are found, more units and records should be inspected.
- ◆ **Tenant-based rental assistance (TBRA) monitoring:** PJs must perform annual on-site inspections of rental housing occupied by tenants receiving HOME-funded TBRA to determine compliance with Section 8 Housing Quality Standards (HQS). PJs must also monitor project files to make sure the correct rents are being used, and that leases contain the proper language.

Corrective Actions

- ◆ PJs are responsible for taking appropriate actions when performance problems arise. Written agreements should be the primary mechanism for enforcement in situations of noncompliance.

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- ◆ **Intervention stages:** There are three increasingly serious stages of intervention. PJs should start at Stage 1, then move through Stages 2 and 3 as the situation requires. A PJ's response to monitoring findings will depend upon the seriousness of the recipient's problems.
 - Stage 1 - low-level intervention: At this stage, PJs should do one or more of the following:
 - ✓ Clearly identify problem areas and required corrective actions;
 - ✓ Plan a strategy with the subrecipient that includes any training or technical assistance that may help to address identified problems;
 - ✓ Require more frequent or more thorough reporting by the subrecipient; or
 - ✓ Conduct more frequent subrecipient monitoring reviews.
 - Stage 2 - moderate-level intervention: After attempting the low-level intervention steps, PJs may need to take increasingly tougher steps, such as:
 - ✓ Restrict the subrecipient's payment requests;
 - ✓ Disallow subrecipient expenses (or require repayment); or
 - ✓ Impose probationary status.
 - Stage 3 - high-level intervention: At this point, PJs must take the most serious actions to put an end to noncompliance problems. Suggested steps include:
 - ✓ Temporarily suspend the subrecipient;
 - ✓ Do not renew the subrecipient for the next program year;
 - ✓ Terminate the subrecipient's activity for the current program year; or
 - ✓ Initiate legal action.

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RECORD-KEEPING

Overview

- ◆ The general rule is that PJs must establish and maintain sufficient records to document that program requirements are met. The HOME regulations define the minimum records retention requirements, and are intended to cross-cut with the basic program requirements. Each PJ should establish its own requirements for record-keeping and reporting by nonprofit and other HOME recipients. These requirements should enable the PJ to meet HUD requirements and maintain complete information about the projects for which it provides funding.
- ◆ **Recent changes:** Under the Final Rule, the requirements for record-keeping were revised to:
 - Ensure consistency with HOME program requirements;
 - Clarify the record retention periods; and
 - Include new records that must be kept by PJs that exercise any of the three new options allowed in the Final Rule (i.e., multi-family refinancing, presumption of affordability for homebuyer assistance, and locally-established 95 percent of area median purchase price limits).
- ◆ **Categories:** The regulations use the following record-keeping categories:
 - Records concerning designation as a PJ;
 - Program records;
 - Project records;
 - CHDO records;
 - Financial records;
 - Program administration records; and
 - Records concerning other Federal requirements.

Records That Must Be Maintained

- ◆ **PJ designation:** These records must be maintained concerning designation as a PJ:
 - For a consortium, the consortium agreement;

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- For local governments with an allocation of less than \$500,000 (in years in which Congress allocated less than \$1.5 billion) or \$750,000 (in years in which Congress allocated more than \$1.5 billion), records demonstrating that funds were made available to make up the shortfall between the formula allocation and \$500,000 (or \$750,000). (See relevant discussion under “Allocating Funds to PJs” in Chapter 1: Overview of the HOME Program.)
- ◆ **Program records:** These program records must be maintained:
 - Efforts to maximize participation by the private sector;
 - Forms of assistance used;
 - Subsidy layering guidelines;
 - Multi-family refinancing guidelines;
 - Procedures for establishing 95 percent of median value;
 - Resale/recapture guidelines;
 - TBRA records, including:
 - ✓ Consolidated Plan TBRA certification,
 - ✓ Market conditions/needs assessment,
 - ✓ Selection policies and criteria,
 - ✓ If using preferences for persons with special needs, supporting documentation on categories used,
 - ✓ Rent standards and minimum tenant contribution,
 - ✓ Compliance with requirement that 90 percent of assisted families have incomes at or below 60 percent of median;
 - Compliance with matching requirements; and
 - Compliance with set-aside and funding commitment requirements.
- ◆ **Project records:** These project records must be maintained:
 - Description of each project:
 - ✓ Location (with a map);
 - ✓ Form of assistance;

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- ✓ Number and identification of units or tenants associated with HOME;
 - Source and application of funds;
 - Compliance with maximum per-unit subsidy limits and subsidy layering guidelines;
 - Compliance with property standards and lead-based paint requirements;
 - Compliance with income-eligibility requirements;
 - For TBRA, compliance with written tenant selection policies, lease provisions and other applicable requirements;
 - For rental projects, compliance with income targeting, affordability and lease requirements;
 - If multi-family or single-family refinancing is provided, compliance with established guidelines and/or requirements;
 - For homeownership projects, compliance with maximum property value and affordability requirements; and
 - If pre-award costs, compliance with applicable requirements.
- ◆ **CHDO records:** These CHDO records must be maintained:
- Written agreements reserving funds for CHDOs;
 - Efforts to identify and encourage CHDOs;
 - Names and qualifications of each CHDO, and amount of set-aside funds reserved and committed;
 - Documentation of compliance with written agreements;
 - Use of CHDO set-aside funds, including funds for capacity-building;
 - Use of HOME for operating expenses and compliance with applicable requirements;
 - Tenant participation plan; and
 - Use of HOME as project-specific assistance, including issues surrounding repayment.
- ◆ **Financial records:** These financial records must be maintained:
- Source and application of funds;
 - Treasury and local HOME accounts;

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- Source and application of program income, repayments and recaptured funds; and
- Budget control measures, including periodic account reconciliations.
- ◆ **Program administration records:** These program administration records must be maintained:
 - Compliance with written agreements;
 - Compliance with applicable uniform administrative requirements; and
 - Inspections, monitoring reviews and audits, and resolution of any findings or concerns.
- ◆ **Documentation records:** Records documenting compliance with the following additional Federal requirements must be maintained:
 - Equal opportunity and fair housing;
 - Affirmative marketing and minority/women's business outreach;
 - Environmental review;
 - Acquisition, relocation, displacement and replacement of housing;
 - Labor standards;
 - Lead-based paint;
 - Conflict-of-interest; and
 - Debarment and suspension.

Record Retention

- ◆ With the effective date of the Final Rule, the record retention period was lengthened to **five years**. This is in keeping with Consolidated Plan requirements.
- ◆ **Rental:** For rental housing records:
 - General records must be kept for five years after project completion; and
 - Tenant income, rent and inspection information must be kept for the most recent five years, until five years after the affordability period ends.

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- ◆ **Homeownership:** Homeownership records must be kept for:
 - Five years after project completion; and
 - For resale/recapture records, five years after the affordability period ends.
- ◆ **TBRA:** TBRA records must be kept for five years after rental assistance ends.
- ◆ **Written agreements:** Generally, all written agreements must be maintained for five years after the agreement ends.
- ◆ **Displacement and acquisition:** Displacement and acquisition records must be kept for five years after final payment to displacees.

Access to Records

- ◆ PJs must provide citizens and other interested parties with reasonable access to records. Access must be consistent with applicable state and local laws regarding privacy and obligations of confidentiality.
- ◆ The Consolidated Plan regulations require that PJs provide citizens, public agencies and other interested parties with reasonable and timely access to information and records relating to a PJ's Consolidated Plan and the use of assistance under the programs covered by the Consolidated Plan. (NOTE: This requirement must be made a part of PJs' Citizen Participation Plans. See Chapter 2: General Administrative Requirements for a broader discussion of these plans.)
- ◆ HUD and the Comptroller General of the United States, or any of their representatives, have the right to access any records of PJs, state recipients and subrecipients for auditing, excerpt or transcript purposes.

REPORTING REQUIREMENTS

Background and Overview

- ◆ HOME Program regulations require PJs to submit an Annual Performance Report to HUD within 90 days of the close of a PJ's program year. This is in accordance with the Consolidated Plan regulations at 24 CFR Part 91.

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- ◆ Prior to the 1996 Consolidated Plan program year, PJs submitted a HOME Annual Performance Report (APR). The new version of the report is called the Consolidated Annual Performance and Evaluation Report (CAPER).

For States

Separate guidance will be provided to states at a later time.
- ◆ The Performance Report incorporates not only the old HOME APR, but also the reporting requirements for the Community Development Block Grant (CDBG), Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Shelter Grants (ESG) programs. Requirements discussed below apply to **all** of these programs.
- ◆ **Interim guidance:** The February 18, 1998 memorandum, "Consolidated Annual Performance and Evaluation Reporting for Entitlement Grantees for 1997 Program Year," supersedes prior guidance in the December 1996 memorandum on this subject. The requirements discussed in this manual reflect this interim guidance.

Format Flexibility

While some of the required information is available through IDIS reports, HUD has given PJs the flexibility to format and arrange required data in ways that will best communicate with local audiences. For example, maps may be used to illustrate investment of funds geographically.
- ◆ **What performance reports must include:** The Consolidated Annual Performance and Evaluation Report must include both a summary of programmatic accomplishments and an assessment of progress toward the priority needs and specific¹ objectives set forth in a PJ's Consolidated Plan.
- ◆ The report should contain two main reports:
 - A summary of resources and programmatic accomplishments; and

¹ Note: 24 CFR 91.215 states that a specific objective identifies proposed accomplishments the jurisdiction hopes to achieve in quantitative terms over a specified time period (i.e., one, two, three or more years), or in other measurable terms as identified and defined by the jurisdiction. These specific objectives are comparable to the one-year housing goals previously identified in the CHAS.

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- The status of actions taken during the year to implement the overall strategy, which includes a self-evaluation of progress during the past year in addressing priority needs and specific objectives.

◆ Reporting to IDIS

- It is not necessary that Grantees be operational in IDIS for a full program year before they can use IDIS to report performance information for the entire year.
- Grantees can add activities during the program year that started prior to their entry in IDIS.
- It is current Departmental policy that Grantees should update IDIS information quarterly.

Summary of Resources and Programmatic Accomplishments Report

- ◆ The Performance Report must identify the Federal resources or funds that were made available to further the objectives of the Consolidated Plan. For each formula grant program, PJs must identify:
 - The total amount of funds available (including program income);
 - The total amount of funds committed during the reporting period;
 - The total amount of funds expended during the reporting period; and
 - The geographic distribution and location of expenditures (maps are encouraged).
- ◆ For funds made available under CDBG, HOME, ESG and HOPWA for housing activities, the summary of accomplishments must also separately identify:
 - The number of extremely low-, low- and moderate-income renter and homeowner households assisted during the reporting period;
 - The number of homeless families and persons assisted during the reporting period;
 - The number of non-homeless persons with special needs assisted during the reporting period; and

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- The racial and ethnic status of persons assisted through these programs.
- ◆ The summary of accomplishments must also include a description of the community development accomplishments for each priority need identified in the PJ's Consolidated Plan.
 - For public services, the summary must include the number of persons served.
 - For public facilities and improvements, the summary must include the number of projects assisted and completed.
 - For economic development projects, the summary must include:
 - ✓ The number of businesses assisted;
 - ✓ The number of jobs assisted; and
 - ✓ The number of extremely low-, low- and moderate-income persons assisted.

Consolidated Annual Performance and Evaluation Report Narrative

- ◆ **Status of Actions Taken to Implement the Overall Strategy:**

Narrative statements provide the status of actions taken by the PJ during the year to implement the overall strategy. The following narrative statements, which are required by statute, must be included in the Performance Report:

 - Actions taken to affirmatively further fair housing, a summary of impediments to fair housing choice and actions taken to overcome identified impediments;
 - Actions taken to address the needs of homeless persons and the special needs of persons that are not homeless, but require supportive housing;
 - Actions to address obstacles to meeting underserved needs;
 - Actions to foster and maintain affordable housing;
 - Actions to eliminate barriers to affordable housing;
 - Actions to overcome gaps in institutional structures and to enhance coordination;
 - Actions to improve public housing and resident initiatives;

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- Actions to evaluate and reduce lead-based paint hazards;
- Actions to ensure compliance with program and comprehensive planning requirements;
- Actions to reduce the number of persons living below the poverty level;
- Evaluation of progress in carrying out the PJ's housing strategy, including progress in meeting the specific objective of providing affordable housing to extremely low-, low-, and moderate-income renters and owners during the reporting period;
- Assessment of the relationship of CDBG funds to the priorities and specific objectives identified in the Consolidated Plan, and an evaluation of the extent to which CDBG funds were used for activities that benefited low- and moderate-income persons;
- Nature of and reasons for changes in program objectives, and indications of how the PJ would change its programs as a result of its experiences;
- For the HOME Program, the results of on-site inspections of affordable rental housing;
- For the HOME Program, an assessment of the PJ's affirmative marketing actions and outreach to minority- and women-owned businesses;
- Progress in obtaining "other" public and private resources that address needs identified in the Consolidated Plan, how Federal resources from HUD were leveraged and how any matching requirements were satisfied;
- Evaluate how activities undertaken address pertinent Strategy Plan objectives and areas of high priority as specified in the Consolidated Plan;
- Summary of citizen comments; and
- Assessment of the PJ's efforts in carrying out the planned actions described in its Action Plan, which shows that the PJ:
 - ✓ Pursued all resources that the PJ indicated it would pursue;

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- ✓ Provided required certifications of consistency for programs that the PJ indicated it would support in a fair and impartial manner; and
- ✓ Did not hinder Consolidated Plan implementation by action or willful inaction.

◆ **Additional Narrative Reports Required of HOME Grantees include:**

- Analysis of the extent HOME funds were distributed among different categories of housing needs identified in the Consolidated Plan.
- Report on match contributions made using a separate HOME Match Report (HUD Form 40107-A) for the period covered by the Consolidated Plan. This form is not yet available on IDIS, but may be obtained from HUD.
- Part III of HUD Form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs).
- Results of one-site inspections of affordable rental housing assisted under HOME and as assessments of the HOME PJ's affirmative marketing actions and outreach to minority and women-owned businesses.

Self-Evaluation of Progress

- ◆ This section of the report is not as definitive as the previous two. HUD's objective is to get PJs to focus on results, and to assess progress in meeting priority needs and specific objectives identified in their Consolidated Plans.
- ◆ The overall goal of the HUD programs covered by the Consolidated Plan is to develop viable communities by: (1) providing decent housing and a suitable living environment, and (2) expanding economic opportunities, principally for low- and moderate-income persons. The recent HUD guidance on the performance report states that an evaluation of accomplishments, as well as plans for the future, should be developed with this overall statutory purpose in mind.
- ◆ As part of this self-evaluation, PJs may consider the following questions:
 - Are the activities and strategies making an impact on identified needs?

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- What indicators would best describe the results?
- What barriers may have a negative impact on fulfilling the strategies and the community's vision?
- Overall, what is the status of grant programs?
 - ✓ Are any activities falling behind schedule?
 - ✓ Are grant expenditures timely?
 - ✓ Do actual expenditures differ substantially from letter of credit disbursements?
- Are major goals on target?
- What adjustments to, or improvements in, the community's strategies and activities might better meet identified needs more effectively?

Submission and Review of the Performance Report

- ◆ Prior to submitting a Consolidated Annual Performance and Evaluation Report, a PJ must make the report available to the public for examination and comment for a period of at least 15 days.
- ◆ Performance Reports must be received by the HUD Field Office no later than 90 days after the close of the PJ's Consolidated Plan program year.

***Example:** For a PJ with a program year ending December 31, the report must be submitted to HUD by March 31 of the following year. Using this same example, the report would need to be available to the public by March 14.*

- ◆ HUD will review the PJ's Performance Reports and determine if they are satisfactory. If a satisfactory report is not submitted, HUD may:
 - Suspend funding until a satisfactory report is submitted; or
 - Withdraw and reallocate funding if HUD determines, after notice and opportunity to comment, that the PJ will not submit a satisfactory report.
- ◆ Following submission, PJs must make copies of the report submitted to HUD available for examination by the public upon request. This should include a summary of comments received as a result of the public participation process.

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◆ **HOME Program IDIS Reports available:**

- **Status of HOME funds report:** summary of funding by fiscal year. Key programmatic indicators provided.
- **Match report:** shows required match percentage, funds disbursed and required match for a given fiscal year.
- **Status of HOME activities report:** shows current status of HOME activities currently open or closed out within the past twelve months. Information includes address, number of units, funds committed and disbursed and activity status.
- **Status of CHDO funds report:** summary of funds reserved, committed and disbursed for each CHDO by fiscal year.

CHAPTER 10 ATTACHMENTS

Attachment 10-1: Memorandum for All CPD Directors and All Consolidated Plan Entitlement Grantees on Consolidated Annual Performance and Evaluation Reporting for Entitlement Grantees for 1997 Program Year, Including Attachments

Attachment 10-1a: Additional Requirements for End of Program Year Reporting

Attachment 10-1b: IDIS Reports, Summary Accomplishments and Program Information for Entitlement Communities

Attachment 10-2: HUD Web Pages

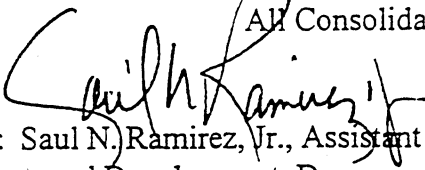


U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-7000

OFFICE OF THE ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

FEB 18 1998

MEMORANDUM FOR: All CPD Field Directors
All Consolidated Plan Entitlement Grantees

FROM:  Saul N. Ramirez, Jr., Assistant Secretary for Community Planning
and Development, D

SUBJECT: Consolidated Annual Performance and Evaluation Reporting
for Entitlement Grantees for 1997 Program Year

HUD and its Community Planning and Development (CPD) formula grant program grantees are near completion of a successful transition to the new Integrated Disbursement and Information System (IDIS). All Entitlement grantees should be using the system to track disbursements and report performance for the program year. Grantees are now beginning a period when they must report on 1997 program year accomplishments and performance, and Field Office staff subsequently must review that performance. This round of reporting will provide an important opportunity for both CPD grantees and HUD staff to use IDIS to meet reporting and evaluation requirements. The attached instructions and sample letter to grantees should facilitate Field Office oversight of this task.

This memorandum and the attached instructions provide guidance on how to comply with all current HUD regulatory and statutory requirements for reporting program performance and accomplishments. This memorandum supersedes prior guidance on this subject contained in the December 5, 1996 Memorandum on "Interim Performance Reporting for 1996 Consolidated Plan Program Year."

The substance of the guidance is divided into three components:

1. The first part, here stated, instructs grantees to use IDIS to comply with current reporting requirements. To initiate annual reporting, all grantees should update all current activities in IDIS to include all required financial and performance information (It is current Departmental policy that Grantees should update IDIS information quarterly). Grantees can review the adequacy of this information using relevant reporting capabilities within IDIS. The one exception is for the Financial Summary Form that is not yet fully operational in IDIS. Please report this information using HUD Form 4949-3 and follow the normal procedures described in Appendix 3 of the GPR Handbook (Handbook 6510.2 REV-2). This form and necessary instructions are attached for your convenience.
2. The second part is a program-by-program identification of all necessary narrative requirements that grantees must provide. (See attachment)
3. A third component, entitled IDIS Reports, provides separate instructions on the necessary IDIS reports to generate summary accomplishments and performance information that grantees will need to share with citizens and HUD Field Office staff will need to assess grantee performance. (See attachment)

Separate guidance will be provided to states at a later time.

It is important to clear up several lingering misconceptions about IDIS. It is *not* necessary that Grantees be operational in IDIS for a full program year before they can use IDIS to report performance information for the entire program year. IDIS provides an effective format for reporting all 1997 performance information regardless how long the grantee has been operational in IDIS. Grantees who are going on-line with IDIS for the first time can report their entire program year accomplishments in IDIS.

Grantees can add activities initiated during the program year but begun prior to their entry into IDIS. They can enter these activities in the same manner as any other activities. Grantees can use IDIS to enter this data as easily as any other existing system (such as ENTERS) but can facilitate better communication with HUD about performance issues by getting all of their performance information in one place--namely IDIS. By using IDIS, grantees will limit their paperwork, provide a common platform for communication, and eliminate a later need to load reporting information into IDIS.

Additionally, IDIS contains ample reporting features to allow grantees to comply with accounting and audit requirements and required review of performance information by citizens. There are currently 27 pre-programmed report features and five pre-programmed downloads available in IDIS. Grantees should use these reporting features *only* to report to their citizens. Field Offices should not require grantees to provide paper copies of IDIS-generated reports.

HUD Field Office staff should access grantee information independently and produce whatever reports are necessary for their review as needed upon notification from grantees that their performance reports are complete. Attachments to this memorandum instruct Field Office staff on the use of approximately 13 IDIS reports for reviewing a grantee's annual performance.

There are numerous CDBG grantees with program years that end on December 31st. It is important that grantees receive these instructions as soon as possible. Grantees must provide an annual picture of their program performance within 90 days of the end of their program year. Field Offices should ensure that grantees and Field Office staff are adequately briefed on the IDIS system to prepare performance reports and conduct these reviews. There will continue to be training conducted on IDIS and it is imperative that CPD Field Office staff obtain necessary skills as soon as possible.

As a final note, the importance of timely and accurate performance reports cannot be overstated. Grantees should strive to ensure that all applicable deadlines are met. Performance reporting meets three basic purposes:

- It provides HUD with necessary information for the Department to meet its statutory requirement to assess each grantee's ability to carry out relevant CPD programs in compliance with all applicable rules and regulations;
- It provides information necessary for HUD's Annual Report to Congress, also statutorily mandated and;
- It provides grantees an opportunity to describe to citizens their successes in revitalizing deteriorated neighborhoods and meeting objectives stipulated in their Consolidated Plan. HUD shares grantees' interest in assuring that citizens, community groups and others interested stakeholders in the community development process are accurately informed of the use of these federal resources. We also acknowledge that traditional reports containing extensive statistical information are always informative. For that reason, we are attempting to provide grantees with the flexibility to format and arrange data in ways that will best communicate to local audiences. Maps often substitute effectively for written data and we encourage the use of this technology in developing this report.

Attachments

Additional Requirements for End of Program Year Reporting

1. All Grantees Must Submit a Narrative Statement Addressing the Following:

a. Assessment of Three- to Five-Year Goals and Objectives

All Grantees must demonstrate how activities undertaken during the program year address pertinent Strategic Plan objectives and areas of high priority identified in their three- to five- year Consolidated Plan. Narrative information should be provided that describes how activities address these objectives so that overall performance in meeting Consolidated Plan goals can be assessed. For example, CDBG and ESG program activities that serve the homeless or persons with special needs should be referenced to specific objectives and/or goals in the Strategic Plan. This information should be summary information so that HUD and citizens can easily assess annual progress made toward meeting longer term goals.

b. Affirmatively Furthering Fair Housing

Actions taken to affirmatively further fair housing, including actions taken regarding completion of an analysis of impediments to fair housing choice, a summary of impediments identified in the analysis, and actions taken to overcome the effects of impediments identified through the analysis. (24 CFR 91.520(a))

c. Affordable housing

Evaluation of progress in meeting its specific objective of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households assisted during the reporting period and the number of households assisted with housing that meets the Section 215 definition of affordable housing for rental and homeownership¹. This summary of progress should include a comparison of actual accomplishments with proposed goals for the reporting period, efforts to address “worst-case needs,” and the needs of persons with disabilities². This will be important in enhancing the public’s understanding of the report. (24CFR 91.520(b))

d. Continuum of Care Narrative

Actions taken to address the needs of homeless persons and the special needs of persons that are not homeless but require supportive housing, (including persons with HIV/AIDS and their families). This narrative should include a summary of actions taken during the program year to develop and implement a Continuum of Care strategy for the homeless, i.e. actions taken to prevent homelessness, to address the emergency shelter and transitional housing needs of homeless individuals and families (including significant subpopulations such as those living on the streets), to help homeless persons make the transition to permanent housing and independent living. (This should include new Federal resources obtained during the year from the Continuum of Care Super NOFA to prevent homelessness, address emergency and transitional housing needs of homeless individuals and families, and to help homeless persons make the transition to permanent housing (24CFR 91.220(e), 91.320(e), and 91.520)

¹ The Section 215 definition of affordable housing is defined in 24 CFR 92.252 for rental housing and 24 CFR 254 for homeownership.

² Worst-case housing needs are defined as low-income renter households who pay more than half their income for rent, live in seriously substandard housing (which includes homeless people) or have been involuntarily displaced. The needs of persons with disabilities are not met by beds in nursing homes or other service-centered facilities.

e. Other actions

Other actions indicated in the strategic and action plans. These would include actions to address obstacles to meeting underserved needs, foster and maintain affordable housing, eliminate barriers to affordable housing, overcome gaps in institutional structures and enhance coordination, improve public housing and resident initiatives, evaluate and reduce lead based paint hazards, ensure compliance with program and comprehensive planning requirements, and reduce the number of persons living below the poverty level. Grantees should review requirements contained in 24 CFR 91.215, 91.220 and 91.230 (for local governments) and 24 CFR 91.315, 91.320 and 91.330 (for States). (24 CFR 91.520)

f. Leveraging Resources

Describe progress in obtaining "other" public and private resources that address needs identified in the plan. The report should also discuss how Federal resources made available from HUD leveraged "other" public and private resources, including how any matching requirements were satisfied.

g. Citizen comments

Provide a summary of citizen comments received in regard to the program. (HCDA Section 1049e) and NAHA Section 107(c))

h. Self-Evaluation

The Consolidated Plan is a concept that is designed to enable officials and citizens to become more aware of the larger picture and the extent to which all related programs are effective in collectively solving neighborhood and community problems. Moving beyond the compilation of program outputs, there must be a focus on results that will allow a community to assess progress in meeting the priority needs and specific objectives identified in the strategic plan and action plan in order to help make the community's vision of the future a reality.

The overall goal of the community planning and development programs included in the Consolidated Plan is to develop viable communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for low and moderate income persons. An evaluation of accomplishments, as well as plans for the future, should be developed with this overall statutory purpose in mind. A more detailed statement of these three elements of this goal is included in the Consolidated Plan regulations at 24 CFR Section 91.1(a).

As grantees proceed through this process of self-evaluation, there are certain questions which may be considered. Are the activities and strategies making an impact on identified needs? What indicators would best describe the results? What barriers may have a negative impact on fulfilling the strategies and the overall vision?? What is the status of grant programs? Are any activities or types of activities falling behind schedule? Are grant disbursements timely? Do actual expenditures differ substantially from letter of credit disbursements? Are major goals on target? And, based on the answers to these and other question, what adjustments or improvements to strategies and activities might meet your needs more effectively?

2. All Grantees Receiving CDBG Entitlement Funds Must Submit a Narrative Statement Addressing the Following Issues:

a. Assess the relationship of the use of CDBG funds to the priorities, needs, goals, and specific objectives identified in the Consolidated Plan, including an analysis of the extent to which CDBG funds were distributed among different categories of housing needs identified in the Consolidated Plan. Special attention should be given to the highest priority activities

identified and evaluation of the extent to which CDBG funds were used for activities that benefited low-and moderate-income persons. (HCDA Section 104(e) and 24 CFR 91.520(c))

b. Describe the nature of and reasons for any changes in program objectives and indications as to how the jurisdiction would change its programs as a result of its experiences. (24 CFR 91.520 (c))

c. Assess grantee efforts in carrying out the planned actions described in its action plan as part of the grantee's certifications that it is following a current HUD-approved Consolidated Plan. This should include a narrative analysis to show that the grantee: (1) pursued all resources that the grantee indicated it would pursue; (2) provided requested certifications of consistency for HUD programs, in a fair and impartial manner, for which the grantee indicated that it would support application by other entities; and (3) did not hinder Consolidated Plan implementation by action or willful inaction. To the extent that these points are covered in other parts of the performance report, appropriate cross-reference will suffice. (24 CFR 91.225(b)(3) and 24 CFR 570.903)

d. If grantee funds are not used exclusively for the three national objectives, or if the grantee did not comply with the overall benefit certification, then narrative explanation must be included to address these issues. The narrative should address how the use of funds did not address national objectives and how future activities might change as a result of the current experience.

e. If any activities specified for the program year involve acquisition, rehabilitation or demolition of occupied real property, a narrative must be submitted that identifies the activities and that describes (1) steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities, (2) steps taken to identify households, businesses, farms or nonprofit organizations who occupy the site of a CDBG-assisted project subject to the requirements of the Uniform Relocation Act (URA) or Section 104(d) of the 1974 Community Development Act, as amended, and whether or not they were displaced, and what the nature of their needs and preferences, and (3) a description of the steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations.

f. If during the program year there were economic development activities undertaken where jobs were made available to low- or moderate-income persons but were not taken by them, then the grantee must provide (1) a narrative actions taken by the grantees and the businesses to ensure first consideration was or will be given to low/mod persons, and (2) a listing by job title of all the permanent jobs created/retained and those that were made available to low/mod person. If any of the jobs claimed as being available to low/mod persons require special skill, work experience, or education, include a description of the steps being taken or that will be taken to provide such skills, experience, or education.

If the grantee undertook an activities during the program year which serve a limited clientele not falling within one of the categories of presumed limited clientele low and moderate income benefit, then the grantee must provide a narrative description as to how the nature, location, or other information demonstrates the activities benefit a limited clientele at least 51 % of whom are low- and moderate-income.

If activities were undertaken during the program year that generated program income to revolving funds; program income from float funded activities; income from the sale of real property; other loan repayments, prior period adjustments; loans outstanding or written off; parcels of CDBG-acquired property available for sale; or lump sum drawdown payments, then narrative information must be provided in accordance with provisions of CDBG Handbook No. 6510.2 REV-2 pages 3-8 and 3-9, and exhibit 3b.

For each type of rehabilitation program for which projects/units were reported as completed

during the program year, provide a narrative description that identifies the type of program and the number of projects/units completed for each, the total CDBG funds involved in the program, and other public and private funds involved in the project.

All grantees that have HUD-approved neighborhood revitalization strategies will report progress against benchmarks for the program year. For grantees with Federally-designated EZs or ECs that received HUD approval for a neighborhood revitalization strategy, reports that are required as part of the EZ/EC process shall suffice for purposes of reporting annual progress. (24CFR 91.215(e)(2))

3. All Grantees Receiving HOME Funds Must Submit the Following Narrative Information:

- a. An analysis of the extent to which HOME funds were distributed among different categories of housing needs identified in its approved Consolidated Plan.
- b. A report on match contributions made using a separate HOME Match Report, HUD-4107-A for the period covered by the Consolidated Plan Program Year and comply with Consolidated Plan provisions to indicate resources from private and non-Federal resources. Although the requirement for matching contributions is based on the Federal Fiscal Year, the reporting is based on the PJ's program year and this report should be modified to indicate the PJ's program year. 91.220(b)(2), 91.320(b)(2), and 91.420(b))
- c. HOME PJ's should submit Part III of HUD Form-4107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs).
- d. The results of on-site inspections of affordable rental housing assisted under HOME and as assessment of the HOME jurisdiction's affirmative marketing actions and outreach to minority and women owned businesses. (24CFR 91.520(d))

4. All Grantees Receiving HOPWA Funds Must Submit Narrative Information Addressing the Following:

- a. An analysis of the extent to which HOME funds were distributed among different categories of housing needs identified in its approved Consolidated Plan.
- b. An overview of activities carried out, barriers encountered, actions in response to barriers, and recommendations for program improvement. For example, a grantee could describe difficulties that were encountered in implementing the program based on a review of residents' concerns and the actions taken to address those concerns. Recommendations for program improvements should include ideas for procedural, regulatory, and other changes and describe how such changes would benefit eligible persons and/or improve administrative efficiency. Grantees that select project sponsors also should address how grant management oversight of sponsor activities was undertaken, including how recipients of such assistance were chosen and what services provided. (AHOA, Sec. 862 and 24 CFR 91.520(a) and (e))
- c. Information on what other resources that were used in conjunction with HOPWA-funded activities, including cash resources and in-kind contributions, such as the value of services or materials provided by volunteers or by other individuals or organizations. If not already addressed in the general performance report narratives, HOPWA grantees also should indicate how activities were carried out in collaboration with related programs, including consultations or coordination of planning with clients, advocates and entities that administer programs under the Ryan White CARE Act, AIDS Drugs Assistance Programs, Continuum of Care Homeless Assistance Programs, or other efforts that assist person living with HIV/AIDS and their families.

5. Requirements for Grantees Receiving ESG Funds

All grantees receiving ESG funds must submit narrative information addressing the following:

- a. A description of the extent to which activities supported directly with ESG funds addressed homeless and homeless prevention goals, objectives, and priorities established in the Consolidated Plan, and if applicable, the Continuum of Care Plan. This description may be discussed in the Continuum of Care section of this report.
- b. A description of the sources and amounts of funds used to meet the match requirements of the ESG program.

6. Public Participation Requirements

It is important that the reports provided to citizens, community groups, and local political leaders present a clear and complete statement of what has been accomplished not only to HUD, but also to citizens, community groups, and local political leaders. Therefore, we urge your attention to assembling this information in a manner which relates back to the needs, strategies, and objectives as described and presented in your approved Consolidated Plan and Action Plan.

Before submitting performance reports to the HUD Field Office for review, the jurisdiction must make the report available to the public for examination and comment for a period of at least 15 days. A copy of the performance information made available to HUD, including the summary of public comments received as a result of the public participation process, must be available for examination by the public upon request.

The performance report provided to citizens must identify the Federal funds made available for furthering the objectives of the Consolidated Plan. For each formula grant program, the grantee shall identify the total amount of funds available, (including estimated program income) the total amount of funds committed during the reporting period, the total amount expended during the reporting period, and the geographic distribution and location of expenditures. Jurisdictions are encouraged to include maps in describing the geographic distribution and location of investment (including areas of minority concentration). The geographic distribution and expenditure requirement may also be satisfied by specifying the census tracts where expenditures were concentrated.

The grantee must also provide the public a summary of community accomplishments for each priority need that the community designated in the strategic plan. For public services, this must include the number of persons served during the reporting period. For public facilities and improvements, this must include the number of projects assisted and the number of projects completed during the reporting period. For economic development needs, this must include the actual number of businesses assisted, jobs assisted, and the actual number of extremely low-, low-, and moderate-income persons assisted during the reporting period.

This summary of accomplishments can be met using the standard reports generated from the Integrated Disbursements and Information System (IDIS). Please see the attachment for the types of reports that are available from IDIS.

IDIS REPORTS

SUMMARY ACCOMPLISHMENTS AND PROGRAM INFORMATION FOR ENTITLEMENT COMMUNITIES

DIS information retrieval and reporting capability currently can provide the basic accomplishment and program information needed to identify the eligibility and funding status of activities. Over 1998 that capability will be expanded to allow grantees and field offices to retrieve all their data in a file format and to produce additional hard copy reports which convey program specific information for the program year.

The following report and download capabilities describe and categorize the main reports which currently exist or which should be available during the first part of 1998. Reports with an asterisk (*) contain information that must be provided to citizens in order to satisfy annual performance report requirements contained for Consolidated Plan under 24 CFR 91.520.

Consolidated plan - IDIS has two main reports to describe accomplishments and funding for work proposed under the consolidated plan

*Summary of Accomplishments Report (C04PR23) presents data on CDBG/HOME activity counts and disbursements by priority need categories. It also contains data on CDBG accomplishments by various units of measure and housing units by racial/ethnic categories and HOME housing units by various income groups.

*Consolidated Annual Performance and Evaluation Report (C04PR06) tracks progress in implementing projects identified in the action plan. This report lists all projects for a plan year in-sequence by project number. Disbursements are summarized by program for each project's activities. Accomplishments reported for the program year in the C04MA08 screens are summarized for each program area.

HOME - IDIS has several reports to assess program requirements and identify the status of activities.

Status of HOME grants (C04PR27) provides a the summary of funding by fiscal year. This report contains the key programmatic indicators. The funding report show the status of commitments, disbursements, administrative funds, CHDO operating funds, all CHDO funds, CHDO loan/capacity building, other entities and program income.

Match Report (forthcoming) shows the required match percentage, funds disbursed and required match for a given fiscal year.

Status of HOME Activities (C04PR22) shows the status of current HOME activities. The report lists activities which are currently open and funded or which have been closed out within the past 12 months. For each activity, the report shows the address, the number of units, funds committed and disbursed and activity status.

Status of CHDO funds (C04PR25) shows for each fiscal year the funds reserved, committed and disbursed for each CHDO.

CDBG reports - IDIS has several reports to assess program requirements and to describe the status of activities.

*Financial Summary Report (forthcoming) provides the key CDBG program indicators. This report shows the obligations, expenditures which the grantee has made for a specified program year. The expenditures are summarized to determine the relevant indicators for low- and moderate-income, planning/administration, public service activities and economic development. (This report contains program year information on statutory requirements regarding overall percentage for low- and moderate-income benefit.)

*Summary of Activities (C04PR03) - lists each CDBG activity which was open during a program year. For each activity the report shows the status, accomplishments, program year narrative and program year expenditures. For each activity the report also shows the activity code, regulation cite and characteristics of the beneficiaries.

Rehabilitation Activities (C04PR10), lists each rehabilitation activity along with amount expended, completed low mod units and occupied low mod units.

ESG reports - three reports summarize accomplishments for projects and activities reported for a program year. For PY 1998, new screens will allow reporting program information for a year against a single activity.

ESG Program for Grantee Statistics (C04PR19) provides statistics on the characteristics of beneficiaries and services for each ESG project/activity.

ESG Activity Summary report (C04PR20) provides the amounts that are committed and disbursed by type of ESG expenditure.

ESG Financial summary (C04PR12) show the grant, committed and disbursed amounts for each ESG project/activity.

HOPWA - while no hard copy summary exist for HOPWA, the data for the annual report are contained in the HOPWA screens for the projects for the current program year.

Downloads - used to prepare user defined tables and reports. Also used to match local data.

Program data - one for each of the four formula programs derived from the information submitted on the program path.

Financial data - one for each of the four formula programs, derived from the grant information in IDIS

Activity, plan and activity funding data (**forthcoming**) returns all information provided in plan, common path, activity funding and drawdown modules.

Basic system data - use to validate, cross reference and explain information in IDIS and to reconcile IDIS data with local information.

Federal Entitlement Grant Funding (C04PR01) shows for each grant the amount authorized, suballocated, drawn and available to draw. The grants are organized by program and listed by fiscal year.

List of Activities (C04PR02) lists - by project, activity and program sequence - the amount authorized for draw, amount drawn and the difference.

Grantee Summary Activity Report (C04PR08) provide a list of activities in grantee activity number sequence. For each activity the report shows the date funded, grant status, amount drawn and date last draw.

Drawdown voucher report (C04PR07) lists the details for all vouchers in sequence by voucher identification. The voucher details include voucher status, amount drawn and the grant identification.

Grantees should retain a copy of the end of program year reports since this information will provide a summary of program accomplishments for the program year.

INSTRUCTIONS FOR COMPLETING THE FINANCIAL SUMMARY FORM
HUD-4949.3

The purpose of the Financial Summary form is to provide an annual financial summary of the grantee's CDBG entitlement program. All entries are to be rounded to the nearest dollar.

HEADING

Complete the headings in accordance with the instructions found in Chapter 1, paragraph 1-5.a. The instructions may also be found on the back of the Financial Summary form.

PART I: SUMMARY OF CDBG RESOURCES DURING THIS REPORTING PERIOD

1. Unexpended CDBG Funds At End Of Previous Reporting Period: Enter the amount of unexpended CDBG funds available at the end of the previous reporting period. If this is not the same amount reported in the GPR for the preceding year as the unexpended balance of CDBG funds available at the end of the previous reporting period, an explanation must be provided. If the grantee is a new entitlement grantee, e.g., the program year being reported in this GPR was the first CDBG entitlement grant received by the grantee, enter zero (0). However, if a new entitlement grantee had been part of an urban county and funds were transferred from the county to the new entitlement grantee, the amount transferred to the new grantee would be reported on this line.
2. Entitlement Grant: Enter the amount of CDBG entitlement funds shown on the form HUD-7082 executed under the grant number identified at the top of this form, as adjusted by any subsequent amendments during the program year.
3. Surplus Urban Renewal Funds: Enter the amount of any surplus federal urban renewal funds shown on form HUD-7082 executed under the grant number identified at the top of this form.
4. Section 108 Guaranteed Loan Funds: Enter the principal amount of loan proceeds received (actual cash received)

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by the Section 108 borrower during this reporting period for use in carrying out activities approved under the Section 108 guaranteed loan fund program.

5. Program Income Received During This Reporting Period: Enter the total amount of revolving loan funds and other program income received during this reporting period by the grantee and its subrecipients.

- a. Revolving Funds. A revolving fund is a separate fund (with a set of accounts that are independent of other program accounts) established by the grantee or a subrecipient for the purpose of carrying out specific activities that, in turn, generate payments to the fund for reuse in carrying out the same type of activities, e.g., housing rehabilitation loans to senior citizens or loans to businesses for facade improvements.
- b. Other. Includes all program income not reported on line 5a.
- c. Enter the total program income received this reporting period (sum of line 5a and line 5b).

Note: Details on the source of the program income reported on this line are to be included in the GPR immediately following the Financial Summary form. Instructions for completing the narrative can be found at the end of this appendix (page 3-8).

6. Prior Period Adjustments: Enter the net adjustment to expenditures of CDBG funds that were previously reported. (An explanation of each such adjustment should be included as part of the Financial Summary attachment). A decrease in expenditures previously reported would increase the amount of CDBG funds available for use and should be entered as a (+). An increase in previously reported expenditures would decrease the amount of CDBG funds available for use and should be entered as a (-).

Examples of (+) transactions include:

amounts reimbursed to the grantee's CDBG line of credit or program account as a result of the recovery of disallowed costs; and

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- receipts from loan origination fees charged to defray expenditures initially paid with CDBG funds in prior program years.

Examples of (-) transactions include:

- amounts disbursed in excess of expenditures previously reported in connection with activities; and
- an increase in an estimated liability established on the books of a grantee (or one of its subrecipients) when an expenditure was recorded in connection with assistance in the form of a loan guarantee and reported on a previous GPR.

Where reimbursement was made this reporting period for disallowed expenditures from a previous reporting period, in order to determine whether the disallowance results in non-compliance with the grantee's overall benefit certification, the grantee must provide information for each activity for which reimbursement was made this reporting period on a separate attachment as described on page 3-8. (An example has been included in Exhibit 3b.)

Where expenditures were disallowed but reimbursement was not required by HUD or a grant reduction was made instead, the activity name and number, as shown in the GPR(s) in which the activity was reported, and the program year(s) in which the expenditure(s) for the disallowed activity(ies) were reported on the GPR should be identified on the attachment.

Information provided on funds expended for disallowed activities in program years that have been completed will be used by HUD to recalculate the percentage of overall benefit to low/mod persons for the affected reporting period(s).

Note: It is not necessary for the grantee to recalculate the unexpended balance of CDBG funds at the end of each reporting period and carry the corrected balances forward each year because to do so would double count the disallowed amount since it is added back as a source of funds when the reimbursement is made.

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7. Total CDBG Funds Available For Use During This Reporting Period: Enter on this line the total amount of CDBG funds available for use during this reporting period determined by summing lines 1 through 6.

PART II. EXPENDITURES DURING THIS REPORTING PERIOD

8. Total Expenditures: Enter the sum of all amounts reported as expended during this reporting period from column h, "Expended This Reporting Period", Activity Summary Forms, HUD-4949.2/4949.2a.
9. Amount Expended For Planning And Program Administration: Enter the total amount shown as expended for planning and program administration activities during this reporting period from column h, "Expended This Reporting Period", Activity Summary Form, HUD-4949.2.
-
10. Amount Subject To Low/Mod Benefit Calculation: Subtract line 9 from line 8 and enter the amount on this line.
11. CDBG Funds Used For Section 108 Principal and Interest Payments: Enter the amount the grantee made in payment from CDBG funds for principal and interest on a Section 108 loan, whether made from grant funds, Section 108 loan proceeds, or program income (including program income generated by activities financed with Section 108 funds). Note that the payment amount should include amounts withheld by HUD from an entitlement grant and paid to the lender by HUD on the grantee's behalf. If the grantee did not make a payment from CDBG funds, enter zero (0).
12. Total expenditures during this reporting period: Enter the sum of line 8 and line 11.
13. Unexpended CDBG Funds: Enter the difference between line 7 and line 12.

PART III. OVERALL PROGRAM BENEFIT TO LOW/MOD PERSONS DURING THIS REPORTING PERIOD

14. Total Low/Mod Credit For Multi-Unit Housing Expenditures: Total those multi-unit housing

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expenditures made in this reporting period that are authorized to be credited toward benefiting low/mod persons as reported in column f, "Accomplishments/Status", Activity Summary form, HUD-4949.2a. (Instructions for determining this amount for individual multi-unit housing activities can be found on pages 2-21 thru 2-23 of this Handbook.) Enter the total on this line.

15. Low/Mod Credit For Expenditures Other Than Multi-unit Housing: Enter the total expenditures for all other activities shown on the Activity Summary form as meeting the "LM" national objective.

Note: Make sure that none of the expenditures for activities reported on line 14 are included on line 15.

16. Total Expenditures Qualifying As Benefiting Low/Mod Persons: Enter the sum of lines 14 and 15 on this line.

17. Percent Benefit To Low/Mod Persons: Divide the amount on line 16 by the amount on line 10 and enter the percentage on this line. This is the percentage of funds which can be credited as benefiting low/mod persons during this reporting period.

PART IV. LOW/MOD BENEFIT FOR MULTI-YEAR CERTIFICATIONS:
(complete only if the certification period includes prior years).

Program Year(s) Covered In Certification: Enter the program year(s) indicated in the certification submitted with the Final Statement for the reporting period, e.g., 1991, 1992; or 1990, 1991, 1992.

18. Cumulative Net Expenditures Subject To Program Benefit Calculation: Enter the cumulative net expenditures for years covered in the certification period by adding the amount on line 10 for this program year to the equivalent amount from the applicable previous GPR(s).

Note: The line number may be different in earlier GPR's.

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19. Cumulative Expenditures Benefiting Low/Mod Persons:
Enter the cumulative expenditures for years covered in the certification period by adding the amount on line 15 for this program year to the equivalent amount from the applicable previous GPR(s).
20. Percent Cumulative Benefit To Low/Mod Persons: Divide line 19 by line 18 and enter the percent on this line.

PART V: PUBLIC SERVICE CAP CALCULATION

21. Total Expenditures For Public Service Activities:
Enter the total amount expended for public service activities during this reporting period from column h, "Expended This Reporting Period", Activity Summary form, HUD-4949.2a.
22. Total Unliquidated Obligations For Public Service Activities: Enter the total amount of unliquidated obligations for all public service activities as of the end of this reporting period from column r, "Unliquidated Obligations", Activity Summary form, HUD-4949.2a.
23. Cumulative Obligations for Public Service Activities During This Reporting Period: Enter the sum of lines 21 and 22.
24. Total Unliquidated Obligations For Public Service Activities From Previous Period: Enter the total amount of unliquidated obligations for all public service activities reported at the end of the previous reporting period.
25. Net Obligations For Public Service Activities During This Reporting Period: Subtract the amount on line 24 from the amount on line 23. Enter the result on this line.
26. Program Income Received In The Preceding Program Year:
Enter the amount of program income received in the preceding program year as shown in the previous GPR.
27. Entitlement Grant Amount: Enter the entitlement grant amount shown in line 2.
28. Sum of lines 26 and 27: Add lines 26 and 27, and enter

the total on this line.

29. Percent Funds Obligated For Public Service Activities:
Line 25 divided by line 28. If the percentage obtained from this calculation exceeds 15%, the grantee has exceeded the limitation on the amount of funds it may obligate for public service activities.

PART VI: PLANNING AND PROGRAM ADMINISTRATION CAP CALCULATION

30. Amount Subject To Planning And Administration Cap: Add lines 2 and line 5c, and enter the sum on this line.
31. Amount Expended For Planning And Administration: Enter the amount expended for planning and program administration from line 9.
32. Percent Expended For Planning And Administration:
Divide the amount on line 31 by the amount on line 30 and enter the figure on this line. If the percentage obtained from this calculation exceeds 20%, the grantee has exceeded the limitation on the amount of funds it may expend for planning and administration for the reporting period.

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FINANCIAL SUMMARY INFORMATION

Provide an attachment with the following information:

A. PROGRAM INCOME RECEIVED

1. The amount of program income reported on line 5a. that was returned to each individual revolving fund, e.g., housing rehabilitation, economic development, or other type of revolving fund.
2. The amount repaid on each float-funded activity (refer to the definition provided on page 2-17).
3. All other loan repayments broken down by the categories of housing rehabilitation, economic development, or other.
4. The amount of income received from the sale of property by parcel.

B. PRIOR PERIOD ADJUSTMENTS: An explanation of all prior period adjustments reported on line 6.

Where reimbursement was made this reporting period for expenditures (made in previous reporting periods) that have been disallowed, provide the following information:

- a. Activity name and number as shown in the GPR(s) in which the activity was reported.
- b. The program year(s) in which the expenditure(s) for the disallowed activity(ies) was reported on the GPR.
- c. Amount returned to line-of-credit or program account.
- d. If the reimbursement is being made with multi-year payments, report the total amount to be reimbursed and the time period over which the reimbursement is to be made. This information is to be reported each year until the reimbursement is complete.

Where expenditures were disallowed but reimbursement was not required by HUD or a grant reduction was made instead, the

information requested in a and b above should be provided.

C. LOANS AND OTHER RECEIVABLES

1. Each float-funded activity outstanding as of the end of the reporting period, the principal balance as of that date, and the date(s) by which the funds are expected to be received.
2.
 - a. The total number of other loans outstanding and the principal balance owed as of the end of the reporting period for each of the following categories as applicable: housing rehabilitation; economic development; and other. (Do not include the loans listed below in 2b.)
 - b. List separately the total number of outstanding loans that are deferred or forgivable, the principal balance owed as of the end of the reporting period, and the terms of the deferral or forgiveness.
3. The total number and amount of loans made with CDBG funds that have gone into default and for which the balance was forgiven or written off during the reporting period.
4. A list of the parcels of property owned by the grantee or its subrecipients that have been acquired or improved using CDBG funds and that are available for sale as of the end of the reporting period. (Do not include those parcels that are expected to remain in the public domain.)
5. For each lump sum drawdown agreement, list:
 - a. the name of the financial institution
 - b. date the funds were deposited
 - c. date the use of funds commenced
 - d. percentage of funds disbursed within 180 days of deposit in institution

Appendix 3

D. RECONCILIATION OF LINE(S) OF CREDIT (LOC) AND CASH BALANCES TO UNEXPENDED BALANCE OF CDBG FUNDS SHOWN ON GPR

Complete the following worksheet and submit with the attachment:

UNEXPENDED BALANCE SHOWN ON GPR
(line 13 of HUD 4949.3)

\$ _____

RECONCILIATION: (For the items listed below, use amounts recorded as of close-of-business on the last day of this GPR reporting period.)

ADD:

LOC balance(s) _____

Cash on Hand:

Grantee Program Account _____

Subrecipients Program Accounts _____

Revolving Fund Cash Balances _____

Section 108 cash balances _____

SUBTRACT:

Grantee CDBG Program Liabilities
(include any reimbursements due to
the Grantee from program funds) (_____) *

Subrecipient CDBG Program Liabilities
(same instructions as above) (_____) *

TOTAL RECONCILING BALANCE: _____

UNRECONCILED DIFFERENCE (between Total
Reconciling Balance and Unexpended
Balance): (Explain below)

\$ _____

- * When grantees or subrecipients operate their programs on a reimbursement basis, any amounts due to the grantees or subrecipients should be included in the Program Liabilities.

E. CALCULATION OF BALANCE OF UNPROGRAMMED FUNDS

Amount of funds available
during the reporting period
(from line 7 of HUD-4949.3) \$ _____

Add: Income expected but
not yet realized** \$ _____

SUBTOTAL \$ _____

Less: Total budgeted amount
on HUD-4949.2/2a (\$ _____)

UNPROGRAMMED BALANCE \$ _____

** This amount should reflect any income considered as a resource in the final statement (and any amendments) for the period covered by this report, as well as that identified in prior final statements (including any amendments), that was expected to be received as of the end of the reporting period but had not yet been received, e.g., program income or Section 108 proceeds not yet received from an approved 108 loan.

Exhibit 3a

Financial Summary Grantee Performance Report Community Development Block Grant Program

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB Approval No. 2506-0077 (Exp. 3/31/94)

Public Reporting Burden for this collection of information is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600 and to the Office of Management and Budget, Paperwork Reduction Project (2506-0077), Washington, D.C. 20503. Do not send this completed form to either of these addressees.

1. Name of Grantee Entitlement City, USA	2. Grant Number B-92-MC-00-0001	3. Reporting Period From 7/1/92 To 6/30/93
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Part I: Summary of CDBG Resources

1. Unexpended CDBG funds at end of previous reporting period (Balance from prior program years)	\$	115,930
2. Entitlement Grant from form HUD-7082	\$	10,045,000
3. Surplus Urban Renewal Funds	\$	0
4. Section 108 Guaranteed Loan Funds (Principal Amount)	\$	0
5. Program Income received by:		
a. Revolving Funds	\$ 432,206	\$ 16,250
b. Other (Identify below. If more space is needed use an attachment)		
	\$	\$
	\$	\$
c. Total Program Income (Sum of columns a and b)	\$	448,456
6. Prior Period Adjustments (if column is a negative amount, enclose in brackets)	\$	3,500
7. Total CDBG Funds available for use during this reporting period (sum of lines 1 through 6)	\$	10,612,886

Part II: Summary of CDBG Expenditures

8. Total expenditures reported on Activity Summary, forms HUD-4949.2 & 4949.2A	\$	7,117,755
9. Total expended for Planning & Administration, form HUD-4949.2	\$ 1,973,398	
10. Amount subject to Low/Mod Benefit Calculation (line 8 minus line 9)	\$ 5,144,357	
11. CDBG funds used for Section 108 principal & interest payments	\$	450,000
12. Total expenditures (line 8 plus line 11)	\$	7,567,755
13. Unexpended balance (line 7 minus line 12)	\$	3,045,131

Part III: Low/Mod Benefit This Reporting Period

14. Total Low/Mod credit for multi-unit housing expenditures from form HUD-4949.2A	\$	646,422
15. Total from all other activities qualifying as low/mod expenditures from forms HUD-4949.2 and 4949.2A	\$	2,987,140
16. Total (line 14 plus line 15)	\$	3,633,562
17. Percent benefit to low/mod persons (line 16 divided by line 10 this reporting period)		71 %

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page () of ()

form HUD-4949.3 (06/24/93)
ref Handbook 6510.2

Exhibit 3a

Part IV: Low/Mod Benefit for Multi-Year Certifications (Complete only if certification period includes prior years)

Program years (PY) covered in certification

PY _____ PY _____ PY _____

18. Cumulative net expenditures subject to program benefit calculation	\$ 0
19. Cumulative expenditures benefiting low/mod persons	\$ 0
20. Percent benefit to low/mod persons (line 19 divided by line 18)	0 %

Part V: For Public Service (PS) Activities Only: Public Service Cap Calculation

21. Total PS expenditures from column h, form HUD-4949.2A	\$ 443,550
22. Total PS unliquidated obligations from column r, form HUD-4949.2A	\$ 5,000
23. Sum of line 21 and line 22	\$ 448,550
24. Total PS unliquidated obligations reported at the end of the previous reporting period	\$ 4,250
25. Net obligations for public services (line 23 minus line 24)	\$ 444,300
26. Amount of Program Income received in the preceding program year	\$ 360,481
27. Entitlement Grant Amount (from line 2)	\$ 10,045,000
28. Sum of line 25 and line 27	\$ 10,405,481
29. Percent funds obligated for Public Service Activities (line 25 divided by line 28)	4 %

Part VI: Planning and Program Administration Cap Calculation

30. Amount subject to planning and administrative cap (grant amount from line 2 plus line 5c)	\$ 10,493,456
31. Amount expended for Planning & Administration (from line 9 above)	\$ 1,973,398
32. Percent funds expended (line 31 divided by line 30)	19 %

Instructions

Name of Grantee: Enter the grantee's name as shown on the approved Grant Agreement (form HUD-7082) for the most recently completed program year.

Grant Number: Enter the grant number assigned by HUD to the Community Development Block Grant for the most recently completed program year.

Period Covered: Enter the beginning date and ending date for the most recently completed program year.

Exhibit 3b

EXAMPLE: ATTACHMENT FOR PROGRAM INCOME
LOANS & RECEIVABLES, RECONCILIATION OF FUNDS

FINANCIAL SUMMARY ATTACHMENT

a. Program Income

1. Total program income to revolving funds: \$432,206
Single-unit housing rehab. revolving fund - \$360,481
Multi-unit housing rehab. revolving fund - 71,725
2. Float-funded activities: n/a
3. Other loan repayments by category:
Payments on economic development loans to the
Economic Development Council (subrecipient) - \$16,250
4. Income received from sale of property: n/a

b. Prior Period Adjustments:

Reimbursement made for disallowed cost:

- a. Activity name: Single-unit residential rehab
Activity number: #16
- b. PY expenditure was reported: report period ending
6/30/91
- c. Amount returned to program account: \$3,500

c. Loans and other receivables:

1. Float-funded activities outstanding as of end
of the reporting period: n/a
2. Total number of loans outstanding and principal
balance owed as of end of reporting period:
Single-unit housing rehab. revolving fund:
loans outstanding - 62
principal balance - \$1,106,538
Multi-unit housing rehab. revolving fund:

Exhibit 3b

loans outstanding - 10
principal balance - \$2,860,700

Economic Development Council:

loans outstanding - 5
principal balance - \$397,000

3. Parcels acquired or improved with CDBG funds that are available for sale as of end of reporting period:

1518 E. Washington Street
parcel #2 on Maine Avenue (Westview Industrial Park)

4. Number and amount of loans in default and for which the balance was forgiven or written off during the reporting period:

2 loans forgiven/written off totaling \$16,230

5. Lump sum drawdown agreement: n/a

- - - - -
RECONCILIATION:

Unexpended balance shown on GPR: \$ 3,045,131

Reconciling items:

Add: LOC balance \$ 5,308,410

Cash on hand:

Grantee program account 23,918

Subrecipient program accounts 5,000

Revolving fund cash balances 475,430

Sec. 108 cash balances 100,000

Deduct: Grantee CDBG liabilities (2,862,627)

Subrecipient CDBG liabilities (5,000)

Total Reconciling balance \$ 3,045,131

Unreconciled Difference -0-

Exhibit 3b

CALCULATION OF BALANCE OF UNPROGRAMMED FUNDS:

Add: Funds available during report period \$10,612,886

Program income expected to be
received but not yet realized 25,000

Subtotal \$10,637,886

Deduct: Total budgeted amount (10,272,879)

Unprogrammed Balance \$ 365,007

HUD HOME ADDRESSES

HUD HOME PAGE	http://www.hud.gov/
BUSINESS OPPORTUNITIES	http://www.hud.gov/business/
GRANTEES	http://www.hud.gov/groups/grantees.cfm

HOME PROGRAM

<http://www.hud.gov/offices/cpd/affordablehousing/index.cfm>

- The HOME Front (online training):
<http://www.hud.gov/offices/cpd/affordablehousing/training/homefront/index.cfm>
- HOME Production Reports:
<http://www.hud.gov/offices/cpd/affordablehousing/reports/index.cfm>
- The Office of Affordable Housing Programs mailing list (sign up to receive an email each time the HOME Webpage is updated): <http://www.hud.gov/subscribe/index.cfm>

IDIS

<http://www.hud.gov/offices/cpd/systems/idis/index.cfm>

- IDIS LOGIN
<http://www.hud.gov/offices/cpd/systems/idis/idis.cfm>
- IDIS STARTUP KIT
<http://www.hud.gov/offices/cpd/systems/idis/start/index.cfm>
- IDIS REFERENCE MANUAL
http://www.hud.gov/offices/cpd/systems/idis/resources/reference_manual.cfm
- IDIS LIVE and ARCHIVES
http://www.hud.gov/offices/cpd/systems/idis/resources/live_archives.cfm